



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

September 30, 2009

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From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

This memorandum provides an update on the Governor's plan to keep State parks open; a pursuit of County position on a bill relating to the designation of special enterprise zones; and the status of one County-advocacy bill.

### Governor's Announcement Regarding Solution to Avoid State Park Closures

On September 25, 2009, Governor Schwarzenegger announced a plan that would allow for all State parks to remain open without increasing budget appropriation for the California Department of Parks and Recreation (CDPR). In his press release, the Governor indicated that the plan would help avoid the full closures of State parks this year based on an alternative solution developed with CDPR and the Department of Finance which achieves \$14.2 million in budgetary savings.

The Legislature reduced General Fund support for the State parks by \$8.0 million and the Governor vetoed an additional \$6.2 million when the FY 2009-10 Revised State Budget was enacted. In July 2009, CDPR indicated that budget cuts of that magnitude could result in the closure of more than 100 State parks.

Specifically, the Governor's plan would reduce: 1) ongoing maintenance for the remainder of FY 2009-10; 2) hours and/or days of operation at most State parks; 3) expenditures on seasonal staff; and 4) staff and operations at CDPR headquarters. The plan would also eliminate major equipment purchases. The one-time budget savings are estimated to be \$2.1 million in services and \$12.1 million in maintenance and equipment in the current fiscal year. The Administration will look for other solutions to generate ongoing State General Fund savings.

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According to media reports, no date has been set for the new operating hours wherein some State parks, or portions of them, will be partially or seasonally closed while some facilities will be open only on weekends and holidays. The Sacramento advocates indicate that a number of advocate groups have expressed interest in working with the California State Parks Foundation to explore placing a measure on the November 2010 ballot to create an annual vehicle license fee as a permanent source of funding for the State Park System.

### **Pursuit of County Position on Legislation**

**ABX3 82 (Blakeslee and Solorio)**, as introduced on September 9, 2009, would authorize the California Department of Housing and Community Development (HCD) to designate, until January 1, 2010, an additional 10 special enterprise zones limited to one nonrenewable 15-year term. The bill would also designate one special enterprise zone within the City of Fremont consisting of an area encompassing a facility that manufactures automobiles, and it would allow the California Alternative Energy and Advanced Transportation Financing Authority to expand their existing authority to include financial assistance for certain alternative energy and transportation projects.

Under current law, no more than 42 enterprise zones may be designated at any one time in California. Upon the expiration or termination of a designated enterprise zone, HCD may designate another enterprise zone to maintain a total of 42 enterprise zones. When there is an opening for one of the 42 enterprise zone designations, any city, county, or city and county with an eligible area within its jurisdiction may complete a preliminary application for designation as an enterprise zone. The applying entity establishes definitive boundaries for the proposed enterprise zone and the targeted employment area. HCD then scores applications according to an established point system and a competitive process. The highest scoring applications are chosen to fill the available number of enterprise zones.

ABX3 82 provides for an additional 11 special enterprise zones which would be excluded from the calculation of the 42 enterprise zones currently authorized. Ten of the special enterprise zones would include jurisdictions which qualified under the law during the 2008/2009 process, but were not awarded designations because of the limit on the total number of zones. The bill would also designate a special enterprise zone within the City of Fremont to coincide with the New United Motors Manufacturing, Inc. site.

According to a fact sheet from Assembly Member Blakeslee's office, the jurisdictions to receive the one-time enterprise zone include Anaheim, El Monte, Escondido, Fremont, Gardena, Los Angeles County, Madera County, Monrovia, Needles, Oxnard, and Wasco. The author also indicates that based on economic development qualities of the

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State Enterprise Zone Program, these additionally designated zones would generate over 100,000 jobs in California during the 15-year designation period.

The Community Development Commission (CDC) indicates it applied in March 2009 for an enterprise zone designation for the Florence-Firestone and Willowbrook portions of the unincorporated County. The areas of the County that would fall under the enterprise zone designation are high poverty and high unemployment areas. According to CDC, bringing an enterprise zone designation to these areas would be a valuable economic development tool to attract business investment and create employment in these depressed areas. The County partnered with the Cities of Los Angeles and Huntington Park for this enterprise zone designation application. The resulting enterprise zone designation would include these jurisdictions as well. According to CDC, it has the current capacity and had planned to budget for the operation of an enterprise zone, if awarded a designation.

The Community and Development Commission and this office support ABX3 82. Consistent with existing Board policy to support legislation that will preserve, expand and extend designations for the State Enterprise Zone Program for urban areas and protect the County's fiscal base and revenues, **the Sacramento advocates will support ABX3 82.** Support and opposition to ABX3 82 is currently unknown. This measure is currently awaiting action by the Legislature.

#### **Status of County-Advocacy Legislation**

**County-opposed AB 1139 (J. Pérez)**, as amended on April 13, 2009, would make various changes to existing law regarding the State Enterprise Zone Program, including: 1) eliminating retroactive tax credit vouchering; 2) canceling the use of the Targeted Employment Area and Targeted Tax Area residency as an employee eligibility criteria; 3) requiring eligible employees to work a minimum of 35 hours per week and be provided with at least 80 percent of specified health care coverage by the employer; and 4) adding annual reporting requirements for Enterprise Zone businesses. The measure has been scheduled for a hearing in the Assembly Jobs, Economic Development and the Economy Committee on January 5, 2010.

We will continue to keep you advised.

WTF:RA  
MR:LY:sb

c: All Department Heads  
Legislative Strategist